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UNITED STATES DEPARTMENT OF LABOR
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CONTENTS FOR APRIL 1939

"WE HAVE COME A LONG WAY", by Elmer F. Andrews 1

THE UNITED RUBBER WORKERS OF AMERICA, by S. H. Dalrymple 4

URBAN RESIDENTIAL CONSTRUCTION IN 1938, by Herman B. Byer 8

LABOR'S STAKE IN PROMOTING INDUSTRIAL SAFETY, by Max D. Kossoris . 10

RETAIL FOOD PRICES, 1929-39, by Stella Stewart 12

WHAT HAPPENED TO PRICES IN FEBRUARY 1939 15

EMPLOYMENT AND PAY ROLLS IN FEBRUARY 1939 16

BUSINESS AND ECONOMIC CONDITIONS IN FEBRUARY 1939 20

GOVERNMENT EMPLOYMENT AND RELIEF IN FEBRUARY 1939 21

" We Have Come a Long Way "

By

Elmer F. Andrews, Administrator

Wage and Hour Division. U. S. Department of Labor

For 6 months the Fair Labor Standards Act has been the law of the land. That is too brief a period in which to evaluate legislation, particularly in a field so little marked by precedent. Nevertheless, after taking stock of what has been accomplished so far, it can be said that we have come a long way since October 24, 1938.

The first step was to provide a workable interpretation as to what groups of workers were covered by the law. Handicapped by a limited staff and by lack of adequate funds, the Wage and Hour Division nevertheless undertook at once to place before the public in the form of interpretative bulletins specific statements of what were considered, for administrative purposes, examples of employment covered by the act. In addition, the Division handled thousands of inquiries regarding the particular application of the law. These determinations have been generally accepted in the spirit in which they have been offered -- as a reasonable basis upon which to approach the problem of compliance.

When the law went into effect the Division was confronted with predictions of wholesale shut-downs and industrial dislocations. These prophecies have not materialized. The "terrible plight" of the pecan-shelling industry was one of the early dour tales, but reports from Texas showed that instead of 50,000 unemployed there were fewer than 10,000. Since then a considerable number have returned to work at 25 cents an hour, and the unemployment in this low-wage field has been offset by new employment brought about by the hour limitations of the act. In Louisiana, where lay-offs of 30,000 had been forecast as a result of the Fair Labor Standards Act, it is estimated that actually only about 2,500 people were laid off, while approximately 3,000 new positions were created in order to keep the workweek down to the minimum specified by the act.

What of the man on the street? What will the law add up to in terms of money in the pockets of those who labor? How will the expected increase in purchasing power affect the commercial pattern of the Nation?

Approximately 11,000,000 employees are subject to the act. Of this number in September 1938, there were 1,418,000 receiving less than 40 cents an hour and 2,184,000 working more than 40 hours a week. In short, several million men and women will have their way of living materially altered by the eventual objectives of the Fair Labor Standards Act -- 40 cents an hour for a 40-hour workweek.

No economic utopia will be ushered in by these wage provisions of the act. An annual income of little more than $800 a year is not sufficient to provide all the necessities and comforts the average American family needs. It is far from sufficient to absorb the products which our present industrial machine, geared to mass-production, is capable of producing. But it will go a long way in that direction by providing a wider market for food, clothing, and other goods and services.

Investigations recently made of the way families in this country spend their money reveal some interesting trends. For example, when the average family in middle-sized cities in the Southeast finds its annual income raised from

around $400 to approximately $800, certain fundamental changes in its buying habits result. It spends about $104 more per year for food, $56 more for housing, $28 more for life insurance, $22 more for clothing, $18 more for medical care, $18 more for household operation, $17 more for recreation, $14 more for household furnishings and equipment, and $10 more for personal care.

POLICY OF HEARINGS

From the very beginning the Wage and Hour Division has been determined to make the administration of the act adaptable to changing conditions. Accordingly, it has pursued a policy of submitting matters of administrative discretion to the searching scrutiny of a hearing.

The discretion of the Administrator is circumscribed. He is required to define certain terms used in the act and is permitted to certify the employment of messengers, learners, apprentices, and handicapped workers at less than the statutory rates, but he may not go much beyond that.

Several hearings have been held on the definition of the "area of production" and on the problem of learners. On January 4, 1939, a hearing was held on the question of regulating industrial homework. It resulted in the revision of regulations on record keeping to require employers of homeworkers to issue handbooks furnished by the Wage and Hour Division, and to make entries in the homeworkers' handbooks as well as on their own pay-roll records.

INDUSTRY COMMITTEES

As time goes on, the role played by the hearings will become increasingly important. They provide ready adjustment to changing circumstances. In this way success in this adventure in industrial democracy will be promoted.

The term "industrial democracy" is used here advisedly. Congress sought the attainment as rapidly as possible of a universal minimum wage of 40 cents an hour and a workweek of 40 hours. Believing that certain industries would be able to reach the goal sooner than others, it provided for the creation of an industry committee for each industry, to embrace in equal numbers representatives of the public, employers, and employees, with one of the public representatives serving as chairman. It is within the power of the industry committee to recommend a minimum wage higher than the rate fixed in the act, but not exceeding 40 cents an hour.

Seven of these committees had been appointed as of the middle of March. The industries covered are: (1) Cotton, rayon, silk, and certain other textile groups, (1-a) wool textiles, (2) apparel manufacturing, (3) hosiery, (4) hats, (5) millinery, and (6) boots and shoes. Each committee is required by law to study the relevant economic factors of its industry — costs of production, transportation rates, living costs, and wages paid in other industries in the same locality.

For example, at the first conference of the textile committee on October 11, three subcommittees were appointed to study the technical problems and the available wage data in the different branches of the industry. By the middle of December this preliminary work had been done. The manufacture of related fabrics such as cotton, silk, and rayon had been studied. Cost data were correlated to yield accurate conclusions. For example, one particular piece of cotton merchandise was followed from initial processing to its appearance on the shelves of the local haberdashery. Labor costs were calculated every step of the way. No process was overlooked. The varied activities of the commission agent and the cutting, sewing, and packing operations were all taken into account.

At one conference conducted by one of the subcommittees more than 100 persons representing various groups in the textile industry either appeared in person to present their views or submitted written briefs in evidence. Testimony and discussion were directed with singleness of purpose to the paramount questions: What effect will wage increases have upon textile-manufacturing costs? Will they increase unemployment in this or related industries?

will it mean a substantial increase in cost to the consumer?

This is industrial democracy in action, and the result should be wage recommendations predicated upon facts and reason and not arrived at either by coercion or by swapping concessions. The democratic process doesn't stop here. A still further procedure is required by statute. Public hearing and administrative review must be had before a wage order can be issued upon the basis of an industry-committee recommendation. The Administrator must hold a public hearing and give interested persons an opportunity to be heard. Then if he finds that the industry committee's recommendations are made in accordance with the law and are supported by the evidence produced at the hearing, he may put them into effect by a wage order.

This method of fixing wages upon the advice of labor, capital, and the public, with the Government acting as arbiter, ushers in a comparatively new era in industrial regulation. Labor and capital have been given a common meeting ground. At the council table labor and capital, the public, and Government officials will obtain a more sympathetic understanding and a deeper appreciation of their common problems and responsibilities. This cannot but make for closer cooperation.

The Wage and Hour law is not to be considered an isolated piece of legislation. It is part of a larger program to improve labor conditions, which is being advanced through the efforts of organized labor and as a result of the country's experience with the depression. In no way does the Fair Labor Standards Act remove the need for unionization, but it does give to those unfortunate victims of our economic system who are part of the submerged third of the Nation a chance to rise from exploitation to industrial citizenship.

ENFORCEMENT

This law places upon employee groups a great responsibility. They must make it their duty to see that the act is observed. Not only can an employer violating the law be prosecuted by the Government, but an employee who is paid less than the minimum wage may institute civil action. If judgment is given in his favor, he may collect double the amount due him. This right of civil action is persuasive in bringing about compliance.

However, enforcement is a responsibility resting primarily upon the Wage and Hour Division. In the last few months thousands of complaints have been received alleging violation of the law. While a great many of these have been shown upon routine checking to be without foundation, others have necessitated investigation in the field.

Since mid-February court action, civil and criminal, has been instituted in a number of cases. These were not mere test cases, but procedures which are expected to become routine. The act is going to be enforced with all the vigor and even-handed justice of which the Wage and Hour Division is capable, and the man who complies has nothing to fear except his chiseling competitor who must be made to comply — and it is intended that he will be made to comply.

Far more gratifying are the Division's dealings with willing employers who, upon receiving sound advice, are eager to make restitution of pay unlawfully withheld from their employees. One Baltimore manufacturer volunteered his pay rolls and time sheets for inspection. Upon being informed that he had not conformed to the law in every detail he thanked the official of the Wage and Hour Division and hurried back to put $294 in his workers' pay envelopes. There are numerous instances of this sort.

The Fair Labor Standards Act, like most legislation, is not perfect. As experience reveals the possibility of improvements, they must be undertaken. But the possibility of changes must not be allowed to obscure the significance of the initial accomplishments. The history-making nature of the work being done by the industry committees and the spirit of cooperation in which labor, industry, and the public have rallied to the support of the program justify repeating that we have come a long way since October 24, 1938.

The United Rubber Workers of America

S. H. Dalrymple
General President, U. R. W. A.

Prior to 1933 there were several sporadic and unsuccessful attempts to organize rubber workers. In the early 1900's, there was even a short-lived national union of the rubber workers formed under the auspices of the American Federation of Labor. In 1913 a large number of rubber workers in Akron went on strike against wage cutting and speed-ups, but the strike failed and no permanent organization resulted.

Equally unsuccessful were the several attempts to organize rubber workers during the prosperous 1920's when the tire industry was developing very rapidly. Jobs were plentiful, and though the hours of work were long and working conditions far from satisfactory, employment was steady and workers did not see the need for a labor union.

The depression which began in 1929 created an entirely different situation. Thousands of rubber workers lost their life savings in closed banks. Mass unemployment was accompanied by wage reductions and drastic increases in speed-up. The old psychological barriers to unionism collapsed when the workers realized that as individuals they were no match to the organized strength of the employers in the industry. As a result, when the National Industrial Recovery Act was passed in 1933 specifically guaranteeing the workers the right to organize, rubber workers flocked by the thousands into the newly created federal labor unions of the American Federation of Labor. The workers were organized in the face of the strongest opposition from employers.

But the federal labor unions did not meet the expectations of rubber workers and again membership began to dwindle. The American Federation of Labor then proceeded to set up the rubber workers' national council to strengthen and coordinate the activities of the Federation in the industry. This new organization did not, however, satisfy rubber workers, who felt that an all-embracing industrial union would be more effective in achieving their aims than a large number of separate craft unions.

At its first convention in September 1935, the United Rubber Workers received a charter from the A. F. of L. as an autonomous international union. The delegates elected their own officers and instructed them to build the union on an industrial basis. By that time the paid-up membership of the union had dwindled to about 3,000. A successful membership campaign was immediately initiated by the international union.

The Goodyear strike in February 1936 gave added stimulus to the growth of the union. The rubber workers realized the tremendous value of an industry-wide organization, and membership increased by leaps and bounds throughout the United States and Canada.

During the strike, the union received considerable assistance from the Committee for Industrial Organization, and in the spring of 1936 the United Rubber Workers joined the C. I. O. It is now affiliated with the Congress of Industrial Organizations as an autonomous international union with jurisdiction over "all workers in all branches of the rubber and allied products industry."

Within a short span of less than 3 years, the membership of the United Rubber Workers grew from the original 3,000 to approximately 80,000. The 1937-38 business slump caused employment in the industry to drop nearly 40 percent but the membership declined by only 15 percent.

STRUCTURE OF THE UNION

Local unions may be organized by a group of 10 or more workers in the industry and receive a charter from the international union. All new members pay an initiation fee of $2, half of which is sent to the international office. The

Working on a "Drum" Built Tire

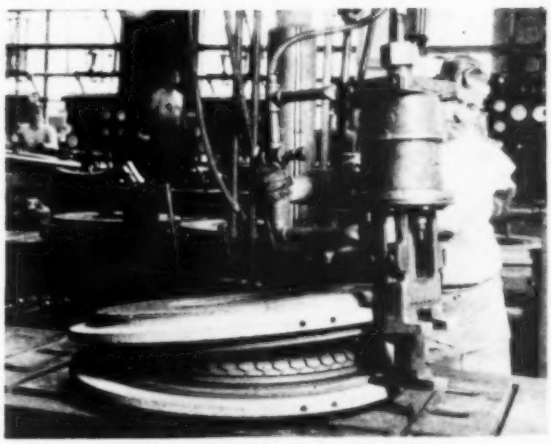
dues are $1 a month, 40 cents of which is forwarded to the headquarters of the union at Akron, Ohio. Special assessments can be levied on members only when approved by two-thirds of all local unions in good standing.

Conventions are held annually to formulate union policies and elect officers. Between conventions, the nine-member general executive board directs the activities of the organization. District rubber workers' councils have been set up in different regions of the United States and Canada to coordinate activities of local unions. These councils serve as a clearing house for information on wages, hours, working conditions, and contracts in the industry.

COLLECTIVE BARGAINING

During the formative period of the United Rubber Workers in 1935 and 1936, both workers and management were new to the process and principles of collective bargaining, causing a good deal of friction and misunderstanding. The preponderant majority of the membership in the union and many of its local unions had never belonged to a trade-union. Confronted with a strongly organized group of employers antagonistic to labor organization and determined at all cost to stop the union, the workers were not in a position to plan carefully or choose wisely their means and methods of carrying out the struggle for collective bargaining. On the other hand, the union had to cope with management's spending large sums of money on munitions, tear gas, and labor spies in an effort to stem the tide of unionization instead of meeting with the representatives of the workers and settling their difficulties by conference.* Even at the present time, when approximately 80 percent of the union members are covered by agreements, there is one major company which has not entered into contractual relations with the union, while another important company deals with the union in its Akron plant but refuses to recognize it in a plant located elsewhere.

When the employers recognize that the United Rubber Workers has become a permanent institution in the industry, ready and determined at all times to protect the interest of all the rubber workers, not only in Akron, where the tire industry is



Releasing Tire From Mold

* See hearings of U. S. Senate Subcommittee of the Committee on Education and Labor *Violations of Free Speech and the Rights of Labor.*

largely concentrated, but throughout the United States and Canada, the obstacles to a long era of peaceful and amicable labor relations in the industry will be automatically removed. To this end the policies of the union with regard to both strikes and collective bargaining procedure are dedicated.

The United Rubber Workers strives to avoid strikes whenever possible. It has on numerous occasions obtained cooperation of the Conciliation Service of the U. S. Department of Labor and of the National Labor Relations Board and has succeeded in adjusting many threatening situations without strike action. Literally hundreds of thousands of man-hours of work have been saved to the workers and to the industry by this process of conciliation.

The policy is first to settle a grievance directly between the workers and the foreman involved. If they fail to agree, the case is referred to the plant or departmental supervisor and the union committeemen. Finally, if not settled in this manner, it is taken up by management and the local union officials.

Many contracts provide for arbitration of grievances which cannot be satisfactorily adjusted between the local union and management. In some instances the decision of the arbitrators is binding; in others, it is not. In some cases both the local union and management object to arbitration.

There is a growing tendency on the part of employers to accept the United Rubber Workers as the sole collective-bargaining agency for all the workers in a plant if the union represents the majority of these workers. In some instances employers have welcomed the inclusion of a "union shop" clause in their contracts because it eliminates friction among employees and leads to greater cooperation between management and workers. The "union shop" is not a "closed shop." It permits an employer to hire whom he pleases but requires that all new employees become members of the union within a specified time limit mutually agreed upon between the employer and the union.

The rubber industry is made up of a large number of different branches with a multiplicity of operations, and for this reason the union does not insist that collective agreements deal with

STATISTICS OF THE RUBBER-TIRE INDUSTRY

	1929	1933	1935	1937	1938
Production of tires *(total)* . .	69,770,000	45,380,000	48,760,000	54,060,000	40,720,000
Employment *(annual average)* . .	83,300	52,900	57,100	63,600	47,700
Weekly pay roll *(annual average)*	$2,440,000	$1,050,000	$1,510,000	$1,900,000	$1,330,000
Weekly hours *(annual average)* .	*No data*	31.6	32.3	31.8	29.6
Hourly earnings *(annual average)*	*No data*	$0.64	$0.84	$0.95	$0.95
Weekly earnings *(annual average)*	*No data*	$20.55	$27.00	$30.10	$28.10

The constitution of the union provides that no strike vote can be taken until the local union has called upon the international office for assistance in securing amicable adjustment of the difficulty. Should such efforts fail, the strike vote must be discussed at a special meeting at which no other business can be transacted and the strike approved by a two-thirds vote. It must also be approved by a majority vote of the general executive board of the international union, which will not support any strike declared without previous authorization by the board.

A similar policy of averting strikes or other stoppages of work is pursued by the union when operating under signed collective agreements with employers. Nearly all agreements specifically provide for special machinery to settle grievances.

individual wage rates. The agreement merely provides a minimum wage below which the rates cannot drop. The numerous piece rates and such rate changes as result from changes in operation or equipment are generally negotiated between management and the local union affected.

The seniority provisions of the collective agreements also vary with conditions in the industry. In the smaller plants, the seniority rule is applied to the plant as a whole. In the larger plants, seniority is generally applied on the basis of divisions or departments within the plant. This is a complicated problem, due to frequent adjustments required by the shifting of men between departments, and calls for the utmost cooperation between the union and management.

RESEARCH AND EDUCATION

The program of research and education recently inaugurated by the international office of the United Rubber Workers is also in line with the collective-bargaining policies of the union. This work is devoted largely to supplying the locals with information needed by them for collective-bargaining purposes and for educational activities of the membership.

In 1938, the research department started a system of collecting from all local unions data on rates and earnings by jobs and occupations, as well as on employment and working conditions in each plant. This information is used to supplement the data on wages and hours published by the Bureau of Labor Statistics of the Department of Labor, which represent averages for the industry as a whole and cannot therefore be used to determine wages paid by the individual companies or on different jobs. The research department also makes studies of financial, economic, and marketing conditions of the individual companies. The findings are supplied to the local unions through the *United Rubber Worker*, issued monthly, or in the form of regular "Organizers' Information Bulletins" devoted to matters of current interest, or through special reports.

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In the field of education, the international office has been cooperating with local unions and a number of outside agencies, such as the Wisconsin State University and the W. P. A., in promoting workers' education classes and other educational programs of benefit to workers. In 1938, the union organized a labor college in Akron with representatives from nearly all local rubber unions in the vicinity. The course ran for a period of 4 months, with an average attendance of over 40 persons per session. During the summer a special workers' education conference was held at Antioch College, Yellow Springs, Ohio, devoted largely to training in leadership, in handling of grievances, and other problems involved in collective dealings with employers.

GAINS MADE THROUGH THE UNION

Briefly the gains to rubber workers which have resulted directly from the policies and organization work of the union are:

1. *Increases in earnings.* Collective agreements and available statistics indicate considerable increases in hourly and weekly earnings since the organization of the union.

2. *Reduction in the hours of work.* The long workweek has practically been abolished. Prior to the organization of the union, 60 and 70 hours of work per week were not uncommon in the smaller shops. Today the 6-hour day prevails in all tire plants under agreements with the union. The 8-hour day, 40-hour week is prevalent in other divisions of the industry.

3. *Vacations with pay.* About 90 percent of all the production employees are now enjoying vacations with pay. Before the organization of the union, only one company gave paid vacations to its production workers.

4. *Job protection.* The union seniority provisions incorporated in all agreements protect the workers against arbitrary discharge. When laid off because of business conditions, these workers must be rehired in accordance with their service records.

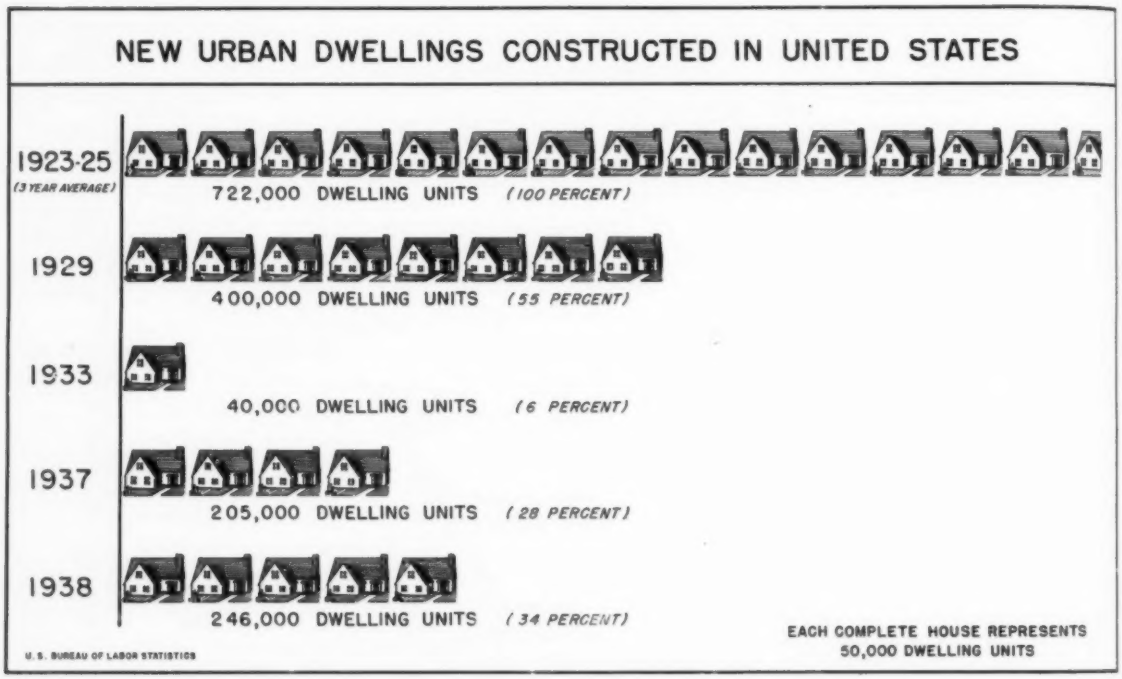
Urban Residential Construction in 1938

Herman B. Byer
Bureau of Labor Statistics

Approximately 246,000 new dwelling units were constructed in urban areas of the United States during 1938. This represents an increase of nearly 40,300 units, or 19.6 percent over the preceding year. More than six times as many dwelling units were provided in 1938 as in 1933, when residential construction was at its lowest level since the war. Although more dwelling units were provided during 1938 than in any other year since 1929, the total volume was only about one-third as large as in the peak year of 1925.

All sections of the country except New England registered increases in the number of dwelling units erected in 1938. The most pronounced gains occurred in the Middle Atlantic and Pacific regions. Thirty-three of the 48 States provided more new dwelling units in urban areas in 1938 than in 1937.

New York, with additional accommodations for 59,700 families, provided more new dwelling units than any other State. Next came California with 40,500 and Texas with 17,400 dwelling units. Reports to the Bureau of Labor Statistics also indicate that fewer than 500 dwelling units were constructed in 1938 in the urban areas of eight States -- Maine, New Hampshire, Vermont, Delaware, North Dakota, South Dakota, Nevada, and Wyoming.



Type of Dwelling. For the country as a whole, out of every 1,000 urban dwelling units constructed in 1938, 677 were in houses built to accommodate individual families, 57 were in 2-family houses, and 266 in apartment buildings which house more than two families. Even in most of the cities with a population of more than half a million, the number of 1-family dwellings exceeded the number of dwelling units provided by apartment houses.

Average Cost Per Dwelling. The average permit valuation of 1-family dwellings provided in 1938 was approximately 8 percent lower than in 1937. This does not mean that the cost of erecting buildings of an identical type decreased in 1938. It does indicate, however, that on the average the buildings constructed in 1938 were of the type that cost less than those constructed in 1937. Probably more small dwellings were erected in 1938, and some savings may also have been made because of large-scale building operations on the outskirts of metropolitan areas.

dwelling in the East North Central area, which includes the States of Illinois, Indiana, Michigan, Ohio, and Wisconsin, was about twice as great as in the East South Central States of Alabama, Kentucky, Mississippi, and Tennessee.

NONRESIDENTIAL CONSTRUCTION

Fewer nonresidential buildings were erected in 1938 than in 1937. The most marked declines were reported in the construction of factories, office buildings, public garages, and stores

PERMITS AND VALUE OF BUILDING CONSTRUCTION IN 1,790 CITIES

KIND OF BUILDING	1938		1937		PERCENTAGE CHANGE 1937 TO 1938	
	NUMBER OF PERMITS	ESTIMATED COST	NUMBER OF PERMITS	ESTIMATED COST	NUMBER OF PERMITS	ESTIMATED COST
Total	662,929	$1,753,194,000	670,631	$1,702,216,000	- 1.1	+ 3.0
Residential:	*156,203*	*868,149,000*	*136,606*	*763,356,000*	*+14.3*	*+13.7*
1-family dwellings	145,211	573,161,000	125,942	538,957,000	+15.3	+ 6.3
2-family dwellings	5,708	29,083,000	5,586	30,735,000	+ 2.2	- 5.4
Multifamily dwellings	3,899	247,746,000	3,438	165,659,000	+13.4	+49.6
All other	1,385	18,159,000	1,640	28,005,000	-15.6	-35.2
Nonresidential:	*116,993*	*567,069,000*	*124,305*	*564,961,000*	*- 5.9*	*+ 0.4*
Factories and workshops . . .	2,278	43,912,000	3,209	82,287,000	-29.0	-46.6
Public buildings	708	107,314,000	481	91,804,000	+47.2	+16.9
Public works and utilities .	641	33,195,000	599	32,662,000	+ 7.0	+ 1.6
Schools and libraries	898	125,392,000	623	103,461,000	+44.1	+21.2
Stores and warehouses	10,233	92,077,000	11,808	107,603,000	-13.3	-14.4
All other	102,235	165,179,000	107,585	147,144,000	- 5.0	+12.3
Additions, alterations, repairs	*389,733*	*317,976,000*	*409,720*	*373,899,000*	*- 4.9*	*-15.0*

The decline in the average cost of 1-family dwellings in 1938 was characteristic of all cities regardless of size. On the whole, the size of the city appears to have much less effect on the average cost per dwelling than the section of the country in which the city is located. For example, 1-family dwellings erected in towns with a population between 2,500 and 5,000 averaged in cost about $3,600, while in cities of half a million population the cost of a similar type dwelling was about 20 percent higher. On the other hand, the average cost ($5,042) of a 1-family

and warehouses. The construction of public buildings, schools, and libraries increased largely because of the program of the Public Works Administration.

Additions, alterations, and repairs to existing buildings during 1938 were not as extensive as in the preceding year. Reports from 1,790 cities indicate a decline of nearly 5 percent in the number of permits issued and a decline of 15 percent in expenditures for the improvement of existing structures.

Labor's Stake in Promoting Industrial Safety

Max D. Kossoris
Bureau of Labor Statistics

About 17,800 wage earners were killed while at work in industry during 1937. Another 112,000 were permanently crippled because of the loss or impairment of use of some member of the body, and an additional million and a half were disabled beyond the day of the injury. The wage loss to the workers involved was estimated at about 550 million dollars, of which about half was offset by workmen's compensation benefits. Workers therefore lost 275 million dollars in income, aside from the arms, legs, fingers, eyes, etc., which no amount of compensation can replace. Nor can the most liberal compensation law compensate dependents for the personal loss of workers killed.

In the past, labor organizations have chiefly emphasized the need of more liberal benefits and more adequate medical provisions in workmen's compensation laws. They have sought to reduce the financial losses to injured workers and their families. Such attempts, in many instances, have been opposed by employers because of anticipated increases in costs. Both labor and employers, however, have as a rule overlooked the highly important fact *that it is possible to have liberal laws liberally administered without additional cost to employers if sufficient attention is paid to accident prevention.* If there are fewer accidents there will be fewer injuries. The costs of even very liberal compensation and medical benefits can be materially less than they are at present if an effective program for accident prevention is undertaken and the number of injuries sufficiently decreased.

The experience of many employers and industry groups shows that accident prevention is possible. For example, a group of establishments in the iron and steel industry reduced the frequency of industrial injuries by 90 percent between 1913 and 1936. Disabling injuries per million hours worked dropped from 60 in 1913 to 6 in 1936. A group of firms in petroleum refining reduced their frequency rate by half during a period of 6 years; the shore establishments of the Navy (including a large variety of industrial activities such as machine shops, shipyards, etc.) brought about an injury rate decrease of 75 percent in 10 years; and in a period of only 3 years the U. S. Engineers of the Army reduced the accident-frequency rate on construction activities under their supervision by more than half.

Safety engineers claim that it is theoretically possible to eliminate all but 2 percent of industrial accidents and that it is certainly possible and practical to eliminate from two-thirds to three-fourths of all accidents. They insist further that this can be done with very little increase in cost to employers. Sometimes it is a question of replacing an unsafe working practice with one that is safe. At other times it requires the removal of unsafe working environment by installing adequate guards on machines, providing for the removal of dangerous gases and dust, providing adequate illumination, etc. In any event, it can be done and it has been done.

Most of the effective safety work has been done by large concerns who could afford the expense of trained and competent safety engineers. It is to the interest of such concerns to assume this expense because the direct savings in workmen's compensation and medical cost are far greater than the cost of the safety program. In addition, there are savings in indirect costs due to damages to materials and equipment, etc., which on the average are four times as great as the direct costs.

Not all large plants, of course, are safe plants, nor are all small or medium-sized plants likely to be hazardous. The medium-sized and small plants, however, have more than their proportionate share of accidents. They present considerable difficulty in a safety program because

there are so many of them and because they are so widely scattered.

How can a safety program be carried to these plants? Most States have factory inspectors to enforce compliance with safety and health requirements. But for the most part, State labor departments require these inspectors to perform so many duties that they do not have the time to do an effective safety job. Furthermore, many of these inspectors are not adequately trained and are subject to political turnover.

The first requisite, therefore, in developing a sound program of accident prevention is a qualified factory inspection service offering sufficient inducement to attract and hold competent men. The second requirement is that adequate funds must be allocated to permit carrying out the program efficiently. Third, inspectors must be furnished with information which will enable them to do their work efficiently and effectively. Such information can be obtained most conveniently from the injury reports which employers must file with the State agency administering the workmen's compensation law. These reports, if properly drawn and if filled out accurately by employers, describe the type and give the basic causes of the accidents reported. They cover many important points such as whether the accident was caused by defective machinery or equipment, by failure to install or maintain adequate safety devices, or by failure of employees to use the safety equipment provided, and, most significant of all, *how the accident could have been prevented.* The essential information can then be obtained from the reports and prepared in a convenient form for use by the factory inspectors. Guided by this information, the inspector knows where accidents occur most frequently and is therefore enabled to concentrate on the accident sore spots. He knows, further, the types of the accidents and, most important of all, the unsafe conditions or unsafe practices which were responsible for the accidents.

If the goals of accident prevention, liberal compensation benefits, and lower costs to employers are to be realized, organized labor must take an active interest in the safety work of State labor departments. It must be concerned with problems of securing qualified personnel for factory inspection, sufficient funds, and the necessary statistical information on accidents. In return, such a program, as the accident prevention experience of some employers indicates, will bring about fewer and less serious accidents as well as greater financial protection to the injured workers and their families.

NUMBER OF INJURIES PER MILLION HOURS WORKED*

INDUSTRY	1937	1936
All industries	17.19	17.06
Manufacturing		
Cement	4.87	6.71
Tobacco products	5.87	5.93
Radio and phonograph	5.96	6.53
News and periodical printing	6.65	7.30
Knit goods	7.05	5.96
Electrical machinery, apparatus, etc.	7.80	8.69
Motor vehicles	8.73	8.74
Boots and shoes	9.18	9.25
Woolen goods	11.73	12.35
Confectionery	12.47	9.92
Petroleum refining	12.79	11.59
Paints and varnishes	13.63	13.81
Cotton goods	13.83	13.84
Machine tools	14.56	14.86
Hardware	15.29	15.13
Iron and steel	15.63	16.17
Rubber tires	15.70	16.05
Baking	16.40	17.00
Shipbuilding	17.23	21.12
Glass	19.30	18.80
Furniture	19.99	19.36
Agricultural implements	21.93	18.56
Flour, feed, and grain products	23.14	24.47
Stamped and enameled ware	25.20	23.15
Paper and pulp	26.74	25.28
Slaughtering and meat packing	26.81	26.76
Canning and preserving	26.81	24.48
Foundry and machine-shop products	30.80	29.12
Stoves	34.03	30.63
Brick, tile, and terra cotta	35.08	38.68
Fertilizers	41.59	41.45
Sawmills	63.06	61.81
Logging	116.11	107.43
Nonmanufacturing		
Laundries and dry cleaning	8.66	10.58
Electric power and light	11.68	7.38
Transportation, street-car and bus	12.39	11.73

* *Generally referred to as injury-frequency rate.*

Retail Food Prices, 1929 - 39

Stella Stewart
Bureau of Labor Statistics

On the average, the worker's dollar spent for food in 1938 went further than in 1937. Some foods were cheaper than they had been for many years, and housewives found that their market baskets could hold a greater variety of foodstuffs than they had been able to purchase for the same expenditures the year before.

Price quotations received each month by the Bureau of Labor Statistics on 84 food items sold in 51 cities scattered throughout the United States indicate that retail food prices in 1938 averaged about 7 percent lower than in 1937, 4 percent lower than in 1936, and 25 percent lower than in 1929. They were, however, 19 percent higher than in 1933 when retail food prices were at their lowest level since 1912.

Meats -- one of the most important items in the worker's food budget -- did not fluctuate nearly so widely in price last year as in 1937. Although meat prices advanced in the midsummer, the increase was not so pronounced as in the preceding year. Averaged over the 12 months, retail meat prices were 7 percent lower than in 1937.

More fresh fruits and vegetables could be bought for a dollar in 1938 than at any time during the last 10 years. As a result of large 1938 crops, prices of canned fruits and vegetables also averaged markedly lower than in 1937.

Fluctuations in the retail price of eggs in 1938 were a bit more extreme than usual, and the price of a dozen eggs ranged from 29 cents in April to 44½ cents in November. Slightly lower milk prices were reported in many cities, and the cost of other dairy products such as butter and cheese also averaged less than in 1937.

Cereals and bakery products declined during 1938, with the result that housewives could purchase a 24-pound bag of flour in December 1938 for about 15 cents less than at the close of 1937. White bread also declined in price, and the cost of other cereals such as corn meal, rice, and rolled oats was lower.

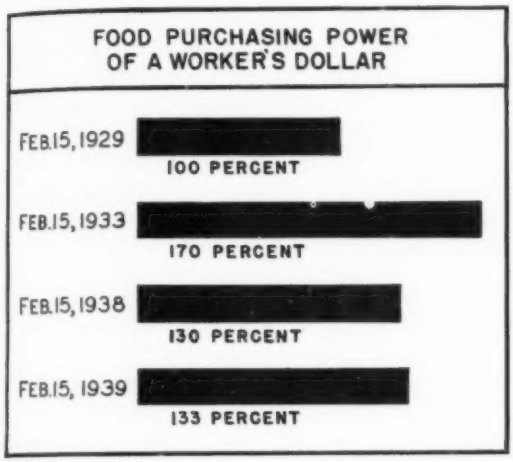
INDEX OF AVERAGE RETAIL FOOD PRICES IN 16 CITIES
1929 = 100

City	Average for year—			City	Average for year—		
	1933	1937	1938		1933	1937	1938
Portland, Me.	64.3	80.3	74.0	Chicago	61.8	80.9	74.8
Boston	63.1	78.1	72.6	Detroit	60.2	81.7	75.0
New York	66.4	81.8	77.5	St. Louis	62.7	83.8	77.7
Pittsburgh	60.1	78.9	73.9	New Orleans	65.5	82.4	79.5
Baltimore	65.8	85.8	81.2	Houston	61.6	81.3	76.7
Atlanta	59.9	78.0	69.2	Denver	66.9	89.3	81.6
Jacksonville	62.1	82.6	78.1	San Francisco	68.7	82.1	78.1
Birmingham	59.3	76.6	67.7	Seattle	65.6	84.2	77.2

Index for 51 cities combined: 1929 = 100; 1933 = 63.4; 1937 = 81.3; 1938 = 75.4

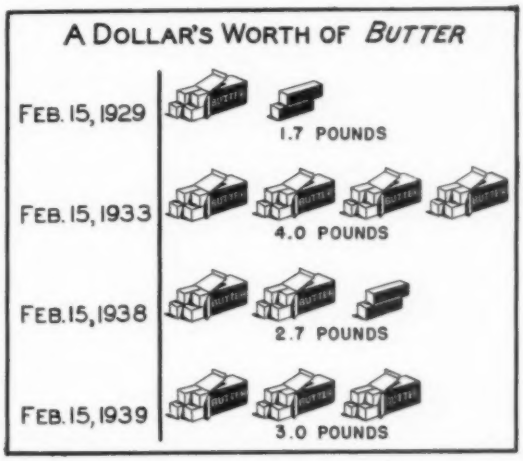
AVERAGE RETAIL FOOD PRICES

The Bureau of Labor Statistics index of retail food prices indicates that for the country as a whole, the same amount and kind of foodstuffs which cost one dollar in February 1929 could be bought for 58.7 cents in February 1933, 76.6 cents in February 1938, and 75.1 cents in February 1939.



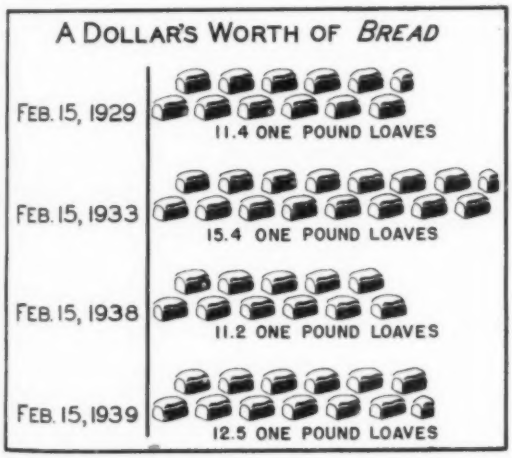
BUTTER

The average retail price of a pound of butter was 33 cents this February, compared with 37.7 cents in the same month of last year. In February 1933, a pound of butter sold for 25 cents, and in February 1929 the price per pound in retail markets averaged 59 cents.



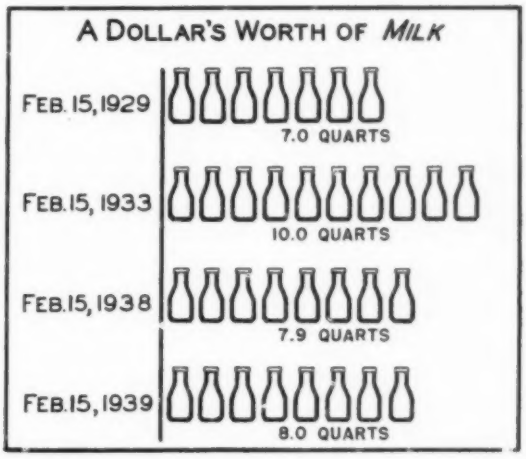
BREAD

The cost of bread declined about 1 cent per pound. A pound loaf of white bread cost 8 cents in February 1939, as compared with 8.9 cents in February 1938, 6.5 cents in February 1933, and 8.8 cents in February 1929.



MILK

The delivered price of a quart of fresh milk in the 51 cities surveyed by the Bureau of Labor Statistics averaged 12.5 cents in February 1939. It averaged 12.7 cents in February 1938, 10 cents in February 1933, and 14.4 cents in February 1929.



POTATOES

White potatoes cost on the average 36 cents a peck in February 1939. This was approximately 6 cents a peck higher than in the corresponding month of 1938 and 12 cents higher than in February 1933. The price per peck of potatoes was also slightly higher this February than in February 1929.

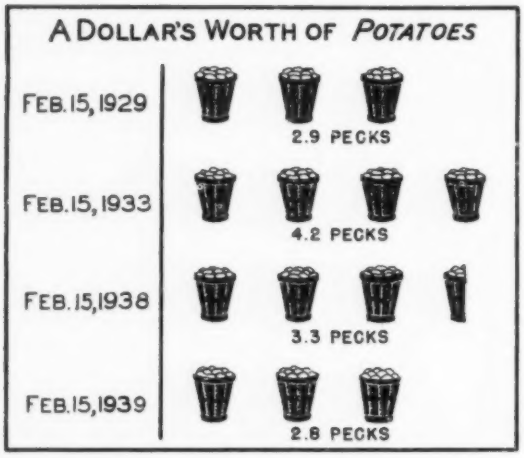
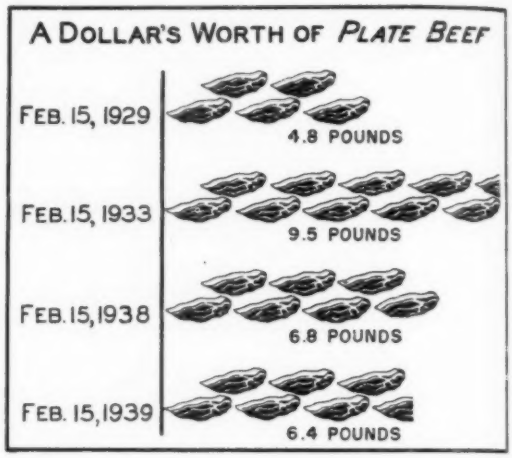


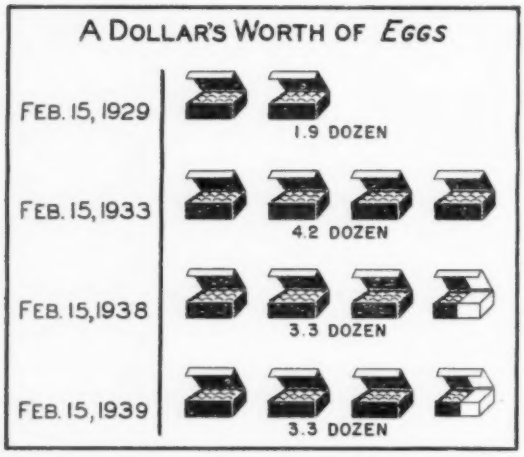
PLATE BEEF

The average retail price of a pound of plate beef, a cut of meat frequently purchased by workers, was 15.9 cents in February 1939. It sold for 14.7 cents a pound in February 1938, 10.5 cents a pound in February 1933, and 20.8 cents a pound in the corresponding month of 1929.



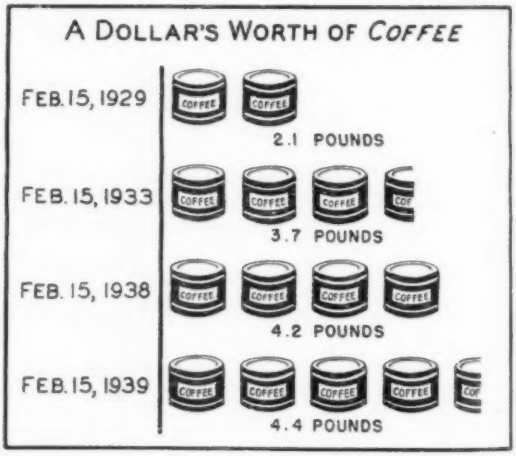
EGGS

A dozen eggs purchased at a retail store in February 1939 cost on the average 29.9 cents. They averaged 30.3 cents a dozen in February 1938, 23.6 cents a dozen in February 1933, and 52.6 cents a dozen in February 1929.



COFFEE

Retail coffee prices have been declining for a number of years. The February 1939 average price of 22.8 cents a pound was less than half the price in February 1929 and about 1 cent lower than in February a year ago.



What Happened to Prices in February 1939

Wholesale Prices. Average wholesale commodity prices remained unchanged in February. They were 3.6 percent lower than in February 1938. The Bureau of Labor Statistics index of wholesale commodity prices stood at 76.9 in January and February of this year, as against 79.8 in February a year ago and 100 in 1926. This means that the same commodities which cost $100 in 1926 could be bought for $76.90 in January and February 1939 and $79.80 in February 1938.

INDEX OF WHOLESALE PRICES

ITEM	1926	FEBRUARY 1939	FEBRUARY 1938	INCREASE (+) OR DECREASE (−) FEBRUARY 1938 TO FEBRUARY 1939
		Index	*Index*	*Percent*
All commodities	100	76.9	79.8	- 3.6
Farm products	100	67.2	69.8	- 3.7
Raw materials	100	70.9	73.6	- 3.7
Semimanufactured articles	100	74.4	76.1	- 2.2
Finished products	100	80.2	83.3	- 3.7

Retail Food Prices. The general level of retail food prices, averaged for the country as a whole, was slightly lower in February than in January. It was 2 percent lower than in February of last year. Based on 1926 as 100, the Bureau of Labor Statistics price index of 84 foods sold at retail in 51 cities was 70.8 in February, compared with 71.4 in January and 72.2 in February 1938. In other words, for every dollar's worth of foodstuffs purchased in 1926, consumers paid on the average 70.8 cents in February, 71.4 cents in January, and 72.2 cents in February a year ago.

AVERAGE RETAIL FOOD PRICES FOR THE COUNTRY AS A WHOLE

ITEM	RETAIL PRICE		INCREASE (+) OR DECREASE (−) FEBRUARY 1938 TO FEBRUARY 1939	
	FEBRUARY 1939	FEBRUARY 1938		
	Cents	*Cents*	*Cents*	*Percent*
Bread, pound	8.0	8.9	- 0.9	- 9.3
Butter, pound	33.0	37.7	- 4.7	-12.3
Milk, delivered, quart	12.5	12.7	- 0.2	- 1.8
Eggs, dozen	29.9	30.3	- 0.4	- 1.3
Potatoes, pound	2.4	2.0	+ 0.4	+16.6
Lard, pound	11.2	13.5	- 2.3	-17.2
Pork chops, pound	29.4	28.9	+ 0.5	+ 1.9
Round steak, pound	35.7	31.0	+ 4.7	+15.1
Sugar, pound	5.1	5.5	- 0.4	- 7.3
Coffee, pound	22.8	23.8	- 1.0	- 3.9

EMPLOYMENT AND PAY ROLLS IN FEBRUARY 1939

Employment in nonagricultural industries advanced approximately 45,000 in February. The number of workers employed in these industries this February was about 100,000 higher than in the corresponding month of last year.

Gains in employment were recorded in manufacturing industries, steam and electric railroads, anthracite mines, hotels, and insurance companies. These increases were partly offset by seasonal declines in retail and wholesale trade, metal mines, and quarries. Fewer workers also had jobs in private building construction and on P. W. A. and other Federal government projects, because of adverse weather conditions.

Among the 87 manufacturing industries surveyed monthly by the Bureau of Labor Statistics, 62 showed gains in the number of workers employed and 63 reported larger pay rolls in February. The largest increases in employment over the month interval were 14,800 in women's clothing, 14,000 in men's clothing, 9,500 in shoes, 7,100 in knit goods, and 5,900 in foundries and machine shops. In shipbuilding, more men had jobs than at any time since December 1937 and in aircraft factories employment was at the highest level since August 1937.

The principal declines in employment in February were recorded by the food industries. Seasonal lay-offs affected 6,800 workers in meat packing, 4,300 in canning, and 3,200 in beet sugar. Woolen mills reduced their working forces by 3,500. Slightly fewer workers had jobs in automobile plants, but the level of automobile employment this February was 93,000 higher than in February 1938.

ESTIMATED EMPLOYMENT AND PAY ROLLS IN MANUFACTURING INDUSTRIES

FEBRUARY 1939, JANUARY 1939, and FEBRUARY 1938

INDUSTRY	NUMBER OF WORKERS EMPLOYED			AMOUNT OF WEEKLY PAY ROLL		
	FEBRUARY 1939*	JANUARY 1939‡	FEBRUARY 1938	FEBRUARY 1939*	JANUARY 1939‡	FEBRUARY 1938
All industries	7,159,700	7,064,600	6,963,900	$161,980,000	$157,865,000	$145,938,000
Durable-goods groups:	*3,182,500*	*3,141,300*	*3,085,700*	*78,518,000*	*76,514,000*	*67,343,000*
Iron and steel	778,100	766,500	761,100	20,264,000	19,755,000	16,069,000
Machinery	827,100	809,300	882,800	21,876,000	20,827,000	21,709,000
Transportation equipment	541,000	539,800	450,200	15,734,000	15,820,000	11,344,000
Nonferrous metals	233,400	229,900	219,500	5,794,000	5,551,000	4,882,000
Lumber	569,600	563,200	551,400	9,701,000	9,518,000	8,785,000
Stone, clay, and glass	233,300	232,600	220,700	5,149,000	5,043,000	4,554,000
Nondurable-goods groups:	*3,977,200*	*3,923,300*	*3,878,200*	*83,462,000*	*81,351,000*	*78,595,000*
Textiles	1,649,000	1,588,700	1,543,000	27,780,000	25,594,000	24,676,000
Leather	312,500	300,500	302,500	5,819,000	5,414,000	5,379,000
Food	737,100	755,200	752,700	16,971,000	17,476,000	17,330,000
Tobacco	86,400	81,900	87,500	1,133,000	1,106,000	1,170,000
Paper and printing	562,400	561,400	563,500	15,207,000	15,192,000	15,043,000
Chemicals	371,600	370,800	381,300	9,927,000	9,921,000	9,718,000
Rubber	109,200	108,900	99,500	2,872,000	2,910,000	2,043,000
Unclassified	149,000	155,900	148,200	3,753,000	3,738,000	3,236,000

* *Preliminary* ‡ *Revised*

Durable-Goods Industries. Employment in the durable-goods groups of industries in February increased by approximately 41,200. The largest increases over the month interval were 17,800 in machinery manufacturing and 11,600 in iron and steel. Compared with February a year ago, 96,800 more workers were on the pay rolls of durable-goods industries this February.

Total weekly wage payments to workers employed in the durable-goods groups increased approximately $2,000,000 in February and were $11,175,000 higher than in February 1938. The largest increases over the year interval were $4,390,000 in transportation equipment and $4,195,000 in iron and steel.

Nondurable-Goods Industries. With the exception of employment declines of 18,100 in foodstuffs and 6,900 in the unclassified industries, all nondurable-goods groups of industries had more workers on their pay rolls in February. Combined, all nondurable-goods industries employed about 99,000 more workers this February than in February 1938.

The total weekly wage income of workers employed in nondurable-goods industries rose $2,111,000 in February. It was nearly $4,870,000 higher than in February 1938. Pay rolls were slightly lower in foodstuffs and tobacco this February than in the same month a year ago. All the remaining nondurable-goods groups reported larger aggregate weekly wage payments than in February last year.

TREND OF EMPLOYMENT AND PAY ROLLS IN MANUFACTURING INDUSTRIES

The Bureau of Labor Statistics index of employment in manufacturing industries advanced slightly in February and was 2.8 percent higher than in February 1938. Based on the average of the 3 years 1923-25 as 100, the index stood at 90.7 in February, as against 89.5 in the preceding month and 88.2 in February a year ago.

Factory pay rolls in February were 2.5 percent higher than in January and nearly 11 percent higher than in February 1938. The Bureau's index of total weekly wage payments to workers employed in manufacturing industries was 85.3 in February, 83.2 in January, 76.9 in February 1938, and 100 for the 3 years 1923-25.

BUREAU OF LABOR STATISTICS

Factory Employment Index

1923-25 = 100

1939	
February.....	90.7*
January.....	89.5
1938	
December.....	91.2
November.....	90.5
October.....	89.5
September.....	88.8
August.....	85.9
July.....	81.9
June.....	81.6
May.....	83.4
April.....	85.7
March.....	87.7
February.....	88.2

* Preliminary

HOURS OF WORK AND EARNINGS IN MANUFACTURING INDUSTRIES

The average weekly working time of about 37 hours reported by manufacturing industries in February was slightly greater than in January and about 2½ hours per week greater than in February 1938. Hourly earnings in February averaged nearly 65 cents or slightly less than in the preceding month and February of last year. The weekly wage income of factory workers averaged $24.05 in February. This was approximately 30 cents per week higher than in January and $1.75 per week higher than the average weekly wage reported in February a year ago.

In the five selected durable-goods manufacturing industries the average weekly hours of work and average hourly and weekly earnings reported in February 1939 were—

Weekly hours:
- 37.5 in foundries and machine shops
- 36.5 in sawmills
- 36.0 in brick manufacturing
- 34.0 in blast furnaces and rolling mills
- 33.5 in automobiles

Hourly earnings (in cents):
- 92.5 in automobiles
- 84.0 in blast furnaces and rolling mills
- 71.0 in foundries and machine shops
- 54.0 in brick manufacturing
- 52.5 in sawmills

Weekly earnings:
- $30.80 in automobiles
- 28.50 in blast furnaces and rolling mills
- 26.70 in foundries and machine shops
- 19.40 in brick manufacturing
- 18.85 in sawmills

Average weekly hours of work and hourly and weekly earnings in the five selected nondurable-goods industries in February 1939 were—

Weekly hours:
- 39.5 in paper and pulp
- 39.5 in slaughtering and meat packing
- 36.5 in petroleum refining
- 36.5 in cotton-goods manufacturing
- 33.5 in tires and inner tubes

Hourly earnings (in cents):
- 96.5 in petroleum refining
- 95.5 in tires and inner tubes
- 68.5 in slaughtering and meat packing
- 61.0 in paper and pulp
- 38.5 in cotton-goods manufacturing

Weekly earnings:
- $35.20 in petroleum refining
- 31.75 in tires and inner tubes
- 27.00 in slaughtering and meat packing
- 24.15 in paper and pulp
- 14.00 in cotton-goods manufacturing

HOURS OF WORK AND EARNINGS IN INDUSTRIES MANUFACTURING NONFERROUS METALS

INDUSTRY	HOURS OF WORK			HOURLY EARNINGS			WEEKLY EARNINGS		
	FEBRUARY 1939	INCREASE OR DECREASE		FEBRUARY 1939	INCREASE OR DECREASE		FEBRUARY 1939	INCREASE OR DECREASE	
		JAN. 1939 TO FEB. 1939	FEB. 1938 TO FEB. 1939		JAN. 1939 TO FEB. 1939	FEB. 1938 TO FEB. 1939		JAN. 1939 TO FEB. 1939	FEB. 1938 TO FEB. 1939
		Percent	*Percent*		*Percent*	*Percent*		*Percent*	*Percent*
Aluminum manufactures . .	39.5	+ 2.5	+14.2	68.0	- 0.8	- 1.2	$26.75	+ 1.7	+12.9
Brass, bronze, and copper	37.5	+ 2.1	+23.1	70.5	+ 0.9	- 4.9	26.40	+ 3.2	+17.6
Clocks and watches . . .	38.0	+ 8.6	+11.9	58.5	+ 0.5	- 1.6	22.25	+ 9.1	+ 9.5
Jewelry	39.0	+ 1.4	+ 7.7	57.5	- 1.7	- 5.7	22.80	+ 0.2	+ 2.7
Lighting equipment . . .	37.5	+ 6.9	+19.4	68.5	+ 0.1	+ 2.6	25.80	+ 6.9	+23.2
Silverware and plated ware	40.0	+ 3.1	+14.9	64.0	+ 0.8	+ 1.9	25.55	+ 3.9	+16.5
Smelting and refining . .	38.0	- 1.6	- 2.8	69.0	+ 0.3	+ 1.2	26.25	- 1.2	- 1.6

Compared with February 1938 the average weekly working time this February had increased nearly 40 percent in tires and tubes, 29 percent in blast furnaces and rolling mills, 20 percent in automobiles, and 16 percent in cotton-goods manufacturing. Smaller increases over the year interval were reported for the remaining selected industries except sawmills and slaughtering and meat-packing plants.

Average weekly wage payments to workers were higher in February 1939 than in February a year ago in all selected industries except slaughtering and meat packing and petroleum refining. The largest gains over the 12-month period were 42 percent in tires and inner tubes, 33 percent in blast furnaces and rolling mills, 21 percent in automobiles, and about 13 percent in brick manufacturing.

EMPLOYMENT, PAY ROLLS, WAGES, AND HOURS IN SELECTED NONMANUFACTURING INDUSTRIES

	FEBRUARY 1939*	INCREASE OR DECREASE: JANUARY 1939 TO FEBRUARY 1939	INCREASE OR DECREASE: FEBRUARY 1938 TO FEBRUARY 1939
RETAIL TRADE		*Percent*	*Percent*
Employment.....	3,203,300	- 0.6	- 0.8
Weekly pay roll...	$62,844,000	- 1.7	+ 0.1
Weekly hours.....	42.5	- 0.7	- 0.7
Hourly earnings...	$0.55	- 0.4	+ 2.2
Weekly earnings...	$21.95	- 1.2	+ 1.0
WHOLESALE TRADE			
Employment.....	1,410,800	- 0.5	- 2.8
Weekly pay roll...	$43,184,000	- 1.1	- 0.9
Weekly hours.....	41.5	- 0.2	- 0.3
Hourly earnings...	$0.71	- 0.1	+ 2.3
Weekly earnings...	$29.55	- 0.7	+ 2.0
METAL MINING			
Employment.....	67,200	- 0.5	- 4.0
Weekly pay roll...	$1,751,000	- 3.4	- 4.2
Weekly hours.....	39.5	- 3.3	- 2.4
Hourly earnings...	$0.69	+ 0.3	+ 2.3
Weekly earnings...	$27.20	- 2.9	- 0.3
BITUMINOUS COAL			
Employment.....	405,900	- 0.2	- 7.3
Weekly pay roll...	$8,987,000	+ 3.9	+ 9.8
Weekly hours.....	27.5	+ 4.2	+17.0
Hourly earnings...	$0.89	- 0.3	+ 0.6
Weekly earnings...	$24.35	+ 4.1	+18.5
TELEPHONE & TELEGRAPH			
Employment.....	392,900	- 1.1	- 3.2
Weekly pay roll...	$13,260,000	- 0.3	+ 2.1
Weekly hours.....	39.0	- 0.2	+ 2.5
Hourly earnings...	$0.83	+ 0.5	+ 1.9
Weekly earnings...	$31.10	+ 0.8	+ 5.5

	FEBRUARY 1939*	INCREASE OR DECREASE: JANUARY 1939 TO FEBRUARY 1939	INCREASE OR DECREASE: FEBRUARY 1938 TO FEBRUARY 1939
HOTELS		*Percent*	*Percent*
Employment.....	270,200	+ 0.9	- 2.0
Weekly pay roll...	$4,106,000	+ 3.2	- 1.0
Weekly hours.....	47.0	+ 0.9	- 2.1
Hourly earnings...	$0.32	+ 1.3	+ 2.2
Weekly earnings...	$15.30	+ 2.4	+ 1.0
POWER & LIGHT			
Employment.....	286,700	- 0.5	- 3.2
Weekly pay roll...	$9,164,000	+ 0.6	- 2.1
Weekly hours.....	39.5	+ 2.4	- 0.8
Hourly earnings...	$0.86	- 1.2	+ 1.9
Weekly earnings...	$33.85	+ 1.1	+ 1.1
ELECTRIC RAILROADS			
Employment.....	185,000	+ 0.2	- 2.6
Weekly pay roll...	$5,978,000	- 1.8	- 0.5
Weekly hours.....	45.5	- 2.1	+ 0.1
Hourly earnings...	$0.72	- 0.1	+ 1.7
Weekly earnings...	$32.85	- 2.0	+ 3.1
LAUNDRIES			
Employment.....	214,500	- 0.6	- 3.1
Weekly pay roll...	$3,421,000	- 1.2	- 0.6
Weekly hours.....	42.0	+ 0.2	+ 0.2
Hourly earnings...	$0.41	- 0.8	+ 2.1
Weekly earnings...	$17.30	- 0.7	+ 2.5
DYEING & CLEANING			
Employment.....	54,000	- 2.2	- 3.6
Weekly pay roll...	$913,000	- 3.9	- 3.1
Weekly hours.....	39.5	- 1.8	+ 0.6
Hourly earnings...	$0.49	- 0.3	- 1.9
Weekly earnings...	$18.95	- 1.8	+ 0.6

* *Preliminary*

Business and Economic Conditions in February 1939

AGRICULTURE

Farm Income. The sale of farm products usually declines during the winter months, and estimates of the Department of Agriculture indicate that farmers received a cash income of $430,000,000 in February, or $148,000,000 less than in January. Cash sales of farm products this February were $26,000,000 smaller than in February a year ago.

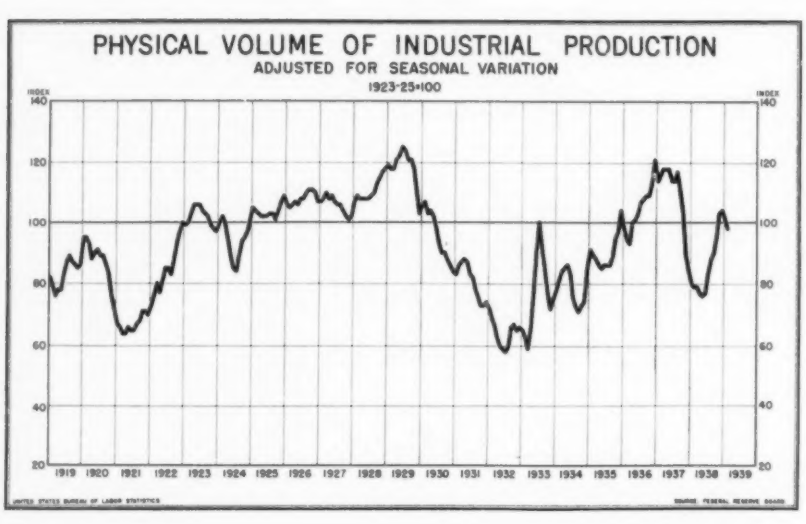
Government payments to farmers in February aggregated about $56,000,000. This compares with $41,000,000 in the preceding month and $31,000,000 in February 1938.

Sheep and Wool Sales. Lower prices were largely responsible for the declines in the cash income received by farmers from the sale of sheep, lambs, and wool in 1938. The cash income from sales of sheep and lambs was estimated by the Department of Agriculture at $165,000,000. This was a decline of about $26,000,000, or 14 percent, compared with the preceding year. Sales of shorn wool yielded a cash income of approximately $70,000,000 last year as against $117,000,000 in 1937.

INDUSTRY AND TRADE

Industrial production in February did not register the seasonal increase usual for this time of the year. As a result, the Federal Reserve Board's adjusted index for measuring the output of factories and mines was 98, as against 101 in January, 79 in February a year ago, and 100 as the average for the 3 years 1923-25.

Steel output remained at about the same level, while production of automobiles, lumber, and plate glass declined. Output of silk mills and slaughtering and meat-packing establishments also declined. Operations at cotton and woolen mills and shoe and tobacco factories continued on a relatively high level during February.



FEDERAL RESERVE BOARD

Industrial Production

ADJUSTED INDEX
1923-25 = 100

1939	
February....	98*
January.....	101
1938	
December....	104
November....	103
October.....	96
September...	90
August.....	88
July.....	83
June.....	77
May.....	76
April.....	77
March.....	79
February....	79

* *Preliminary*

BUSINESS AND INDUSTRIAL BAROMETERS

Automobiles. February output of passenger cars and trucks totaled 297,800 units -- 41,300 less than in the preceding month but 111,300 cars and trucks more than in February 1938.

Bituminous Coal. Approximately 33,900,000 tons of bituminous coal were mined in February. Output in January totaled 35,530,000 tons, and in February a year ago 27,440,000 tons.

Building Construction. Reports from 2,117 cities indicate that the value of building permits issued in February totaled $148,530,000, as against $154,600,000 in January. The value of permits issued this February was about 48 percent higher than in February 1938.

Electric Power. Output of 9,460 million kilowatt hours of electric power in February represented a decline of 959 million kilowatt hours compared with January, but an increase of 895 million kilowatt hours compared with February a year ago.

Railroad Freight Car Loadings. On the average, Class I railroads loaded 574,300 cars per week in February, as against 575,600 cars per week in January and nearly 538,900 cars per week in February 1938.

Steel. Production of steel ingots in February totaled 2,950,000 tons. This compares with 3,187,000 tons in January and 1,700,000 tons in February of last year.

GOVERNMENT EMPLOYMENT AND RELIEF IN FEBRUARY 1939

Employment in the Federal Service. Slightly more than 1,219,000 persons were employed in the Federal Government service in February. Of this number 757,000 were in the executive service (excluding 113,700 force-account, supervisory, and technical employees included under construction projects below), 340,900 in the military, 5,280 in the legislative, and 2,210 in the judicial service.

P. W. A. Construction Projects. Projects financed by the Public Works Administration employed 216,600 workers at the site of construction in February, as against 217,300 in January. Wage payments aggregated $16,500,000 in February and nearly $17,100,000 in January.

Other Federal Government Construction Projects. Employment on projects financed by regular appropriations, the Reconstruction Finance Corporation, and the U. S. Housing Authority provided work for 178,200 persons in February at a total pay roll of $17,500,000.

The Works Program. Projects financed by the Works Progress Administration other than emergency conservation work, student aid, and that part of P. W. A. work financed by The Works Program, employed 3,310,000 persons in February. Their total earnings for the month amounted to approximately $162,250,000.

Emergency Conservation Work. Nearly 337,200 enrolled workers, camp supervisors, and instructors were employed in the Civilian Conservation Corps in February. Their earnings for the month totaled $14,790,000. In January 330,100 persons employed on the program received $14,710,000 in wages.

General Relief. Approximately 788,200 families and single persons received $23,780,000 in general relief in February according to preliminary reports to the Social Security Board from 97 urban areas. This was an increase of 4 percent in cases and a rise of 3 percent in disbursements compared with January.

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